(209) 526-7373

April 8, 2010

Mr. Gary Collord California Air Resources Board gcollord@arb.ca.gov

Subject: Comments on RES Draft Regulation

Dear Mr. Collord:

The M-S-R Public Power Agency would like to thank the California Air Resources Board Staff for their thorough and inclusive efforts in the development of the California Renewable Electricity Standard Preliminary Draft Regulation.

The M-S-R Public Power Agency supports the Preliminary Draft Regulation particularly as it relates to:

- The definition of a "regulated party"
- The partial exemption for small regulated entities
- The use of a MWh compliance metric
- The use of the same monitoring, verification and compliance procedures as applicable to the existing California Renewables Portfolio Standard (RPS) program, including the use of WREGIS certification.

The M-S-R Public Power Agency also supports the following positions on issues listed as pending as of the March 11, 2010, draft:

- The unlimited use of "unbundled" RECs subject to WREGIS certification. However, RECs should be bankable and not expire until retired.
- A transitional and limited use of RES Qualifying Resources to avoid devaluation of early action under previously established RPS programs.

The M-S-R Public Power Agency looks forward to providing additional commentary on future revisions of the draft Regulation and upon the environmental and economic analysis as these become available.

If you have any questions, please do not hesitate to call me at (408) 307-0512

Sincerely,

Martin R. Hopper General Manager

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